GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3190
ANSWERED ON:08.12.2000
IMPORT OF VANASPATI FROM NEPAL .
CHANDRA BHUSHAN SINGH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the total quantity of vanaspati dumped into India from Nepal during each of the last three years;

(b) whether the Government are aware that more than 80 percent of the vanaspati produced in Nepal is being exported to India;

(c) if so, whether the Government have received any representation to restrict the cheap import of vanaspati into India to protect the interest of domestic vanaspati industry; and

(d) if so, the action taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI OMAR ABDULLAH)

(a) to (d): Following the amendment to the Indo-Nepal Treaty of Trade in December 1996 to provide access to the Indian market free of customs duties and quantitative restrictions for articles manufactured in Nepal, there has been substantial increase in the import of vegetable oils and fats from Nepal into India. The data of imports of vegetable oils and fats from Nepal during the last three years is given below: -
Quantity in Metric Tonnes Value in Rupees

Year	Value	Quantity
1997-98	60.37	20043.99
1998-99	184.16	47040.64
1999-2000	81.85	24496.82

There are 15 companies in Nepal which are producing vanaspati. The installed capacity in Nepal for production of vanaspati and vegetable oil is 1,03,260 MTs and 63,420 MTs per annum respectively totaling upto 1,66,680 MTs per annum. The quantity of 47040.64 MTs of vegetable oils and fats imported from Nepal during 1998-99, which is the highest quantity imported in a year from Nepal so far, is 28.22% of the total capacity of 1,66,680 MTs per annum in that country.
A number of representations have been received against the liberalised import of vanaspati from Nepal. As provided under the Indo-Nepal Treaty of Trade, the matter was taken up with His Majesty`s Government of Nepal for taking corrective measures.On the request of Government of India, Government of Nepal have increased the rate of export duty on export of vegetable oil and fats from Nepal to India from 0.5% to 3%.